Expert group report on settlement of SEB dues

4038. SHRI SOLIPETA RAMACHANDRA REDDY : Will the Minister of POWER be pleased to state :

(a) whether Government of Andhra Pradesh have submitted their views to the Union Government on the Expert Group Report on settlement of SEB dues;

(b) if so, the details of the views of Andhra Pradesh Government in this regard;

(c) the extent to which Union Government have agreed to the views of Hie State Government; and

(d) when a decision for the settlement of SEB dues is expected to be taken ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTl MEHTA) : (a) and (b) Yes, Sir.

The Chief Minister, Andhra Pradesh *vuh* his letter of 4'" July. 2001 addressed to the Minister of Power welcomed the one-time settlement proposed by the Expert Group which was constituted after the Chief Ministers/Power Ministers Conference held in March. 2001. Chief Minister, A.P. in his letter suggested that the following may be considered :--------

(i) As against 50% waiver of surcharge and interest proposed by the Expert Group, the waiver may be 100%.

(ii) The Expert Group had recommended opening of Letters of Credit to the extent of 105% of the average monthly billing amount. Chief Minister, A.P. suggested that, to begin with, LC cover to the extent of 75% of the average monthly billing can be considered and this could be increased gradually over a period of time.

(iii) The Expert Group had proposed levy of interest rate (ft), 15% p.a. to be compounded quarterly in the case of delayed payments. Chief Minister, A.P. suggested 15% simple interest instead.

(iv) The Expert Group suggested that in case of disputes, 95% of the amount may be paid upfront and the amount exceeding/

beneath the said 95% that is finally awarded after the resolution of the dispute shall be paid/adjusted with interest *(a}.\5%* p.a. to be calculated from the day on which the amount in dispute was payable/refundable. Chief Minister. A.P. has suggested that the amount to be paid upfront may be reduced to 50%.

(v) The Expert Group has suggested in case of defaults by the SEBs/utilities, the amounts so overdue should be adjusted against releases due to the concerned State from the Centre. Chief Minister. A.P. has suggested that this provision should be dropped and should not be made a precondition for scrutinisation of the past dues.

(c) and (d) Following the submission of the Report of the Expert Group a high level Empowered Group consisting of Finance Minister. Dy. Chairman, Planning Commission. Minister of Power and Chief Ministers of some States met on 26-6-2001 and 6-7-200!. The Empowered Group endorsed the recommendations of the Expert Group with the following modifications :—

(i) Waiver of surcharge would not be 60% instead of 50% as recommended' by the Group.

(ii) The incentives for achieving the reform-based milestones shall be increased to 6% in the first year and 5% in the second year.

Minister of Power has recently written to CMs of States/UTs urging them to take necessary steps for the implementation of the report.

Availability based Tariff

4039. SHRI B. J. PANDA : Will the Minister of POWER be pleased to state :

(a) the zone and constituency, the Availability Based Tariff (ABT) is presently in force and since when;

(b) whether there is any improvement in frequency and voltage after introduction of ABT;

(c) if so. the percentage of time during which the frequency is in the statutory band of 48.5 liz to 51.5 hz in the respective zones where ABT is applicable: and